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Territory of Nevada
Auditors Office

To the Hon the Council,
and Hon. House of Representatives
Nevada Territory

Gentlemen

In
compliance with an act creating the office
of Territorial Auditor, and defining his duties
I herewith submit my report (or rather estimate)
of the condition of the Territorial finances, from
Feby 17th 1862 up to, for 1st 1862, inclusive.
It is a source of regret to me that I am
obliged to submit for your consideration an
estimate of the Revenue accruing to the Territory,
rather than the exact figures of receipts.
But it is unavoidable, for the law does not
compel the payment of taxes until the third
Monday in December, and thus far Tax
payers have availed themselves of this
privilege, I am informed by the Assessors
Auditor of Ormsby & Churchill Counties,
that two fourths of the taxes in those Counties
promises to be delinquent.
This is a fair
exposition of the payment of taxes throughout
out the Territory, we have at same time
wait for cash in the Territorial Treasury.
The annexed Statements will be found
arranged as follows, A. B. & C.

It will be seen by these statements that the revenue to be derived under the existing law is not sufficient to meet the payment of the warrants issued for the various claims and appropriations made under past by the last Legislature.

Only your attention must be invited considerably, that a large amount of the warrants are drawn to pay claims that accrued in former County Work standing, such also under the act creating the Historical Society of Minnesota, for the payment of a future an indefinite prosecution, which — probably is merely the first, but a class of items which hereafter cannot be a Standing charge.

The Standing under the existing law, has confiscation but one source of revenue, by 4 per cent tax on the amount of the Insurance premiums of the Companies, which yet but a small portion of this has been collected and scarcely nothing paid into the Territorial Treasury. To remedy this state of affairs, as well as to have it so arranged, that future expenditure can be complete

I would recommend to your Honorable,

Bodies, that the ending of the fiscal year be changed from its present date to June 30th, It is also a favorable change as regards assessments, it enables the assessor to make his assessments during the fall months, through which period of time a greater amount of property is accessable to him, than at any other portion of the year.

The Revenue Law as it now reads is inexplicit and contradictory in many respects and requires your speedy attention to correct and amend.

I would respectfully call your attention to those sections of the Law, governing the Poll and License tax. It would seem that the intention of the Law was, that this revenue should be divided in the proper proportion between the Counties and Territory, in which case cases are to be levied for Territorial and County purposes, but subsequently directs these moneys to be paid, into the County Treasury for County purposes only. Under this rendering of the Law the Counties have returned all of the Money so collected and undoubtedly will ask your Hon Bodies make the necessary change;

I am of the opinion that our present Revenue Law was intended to be as nearly as possible a copy of the Revenue Law of California, which provides that 66 per cent of the Poll Tax is to be paid into the State Treasury 44 per cent into the County Treasury — Likewise it, directs that one half of the receipts for most of the classes of the License Tax be paid into the State, the remaining half into the Counties

Had the Territory under our Law received this Revenue (and I think it was so intended by the framers of the Law that we should) in addition to the estimated receipts coming from the 4 11 of 1 per cent. We would be able to take up all outstanding warrants.

And I would most earnestly recommend to our New Legislature such amendments to the Law as regards these two very important sources of revenue as to be similar in all its provisions to the Revenue Law of California, The entire Revenue act however requires your careful attention and revision

I am decided by the act defining the duties of Territorial Auditor to suggest

such other sources of Revenue as may seem expedient and proper; and in this connection the taxation of the mines raising a question often discussed both in this Territory and California.

In my opinion the mines should be taxed and should your Hon Bodies, concur with me in this opinion the rate and method of taxation is the matter for your deliberations and decision.

The Constitutional objections to taxing the mine itself, or the Certificate of stock representing that mine, has been set forth in the message last given us by his Excellency the Governor, It would appear then that the yield of the mine is all that can be reached by taxation either the gross or net proceeds.

The objections to taxing the gross proceeds, I think would operate unfavorably and perhaps unjustly upon that class of mines that are being developed and not paying, while taxing the net proceeds can be built just and proper and would, I think, be willingly paid both by incorporated Companies and individuals. The objection urged that by this method of taxation, a tribe

and yet assessment cannot be arrived at by the Assessor, does not in my judgement exist any more in regard to this, than it does to any other species of property. But if there is such an objection there is no doubt but that your Hon Bodies can obviate it by making the provisions of the law so stringent that none will attempt to evade it.

Mr. Chairman recommends that the net proceeds of the mines of the Territory be taxed at a rate commensurate with other taxable property.

The last legislature authorized the Auditor to procure for the Territory such furniture as for the use of his Office and the Treasurer's Office but did not provide any means or way for the current contingent expenses of these departments, and the Auditor has for the past year provided for the same in the most economical manner possible, Hoping it will not be a presumption of your Hon Bodies we trust that for this future a proper contingent fund will be appropriated for this purpose.

I would also suggest that hereafter the reports of the Territorial Treasurer and Auditor be made directly to the Governor

as is the usual custom,

In conclusion I would congratulate your Hon Bodies upon the favorable prospects the Territory presents of its financial condition under the workings of a proper revenue law, I confidently believe that the revenue, even at the present ratio of taxation will at the ends of the coming year not only be sufficient to pay all back indebtedness, and the current expenses of the General departments of the Government but leave a handsome surplus to be expended as in your judgements may seem most advisable

Respectfully Your Obdt. Svt

Henry G. Shields

Acting Auditor

Receipts from July 17th 1862 to Oct 1st 1862 inclusive for
Statement "A"

Statement Receipts July 17th to Nov 1st – Property Tax

Story County	104 78
Omaha County	444 27
Douglas "	8.19
Total Property Tax	559.24

From Coll. Rich. Tax	338.73	
Vocital Tax Funds	2415 00	2753.73
Total Ord. Receipts		3312 97

Note. The proportion of the Medical tax of the above property tax is, 117 29

Warrants issued from Aug. 1st 1862 to Oct 1st 1862, inclusive Statement "B"

Appropriations A/c	27825 46
Election Expense A/c	393 00
Board of Examiners	2759 35
District Attorney A/c	450 00
Contingent Expense A/c "Auditor"	2546.28
Supreme Judges Compensation A/c	2417.23
Contingent Expense A/c "Executive"	85 00
Criminal Prison A/c	450 00
Adjutant General "Salary"	500 00
Superintendent Public Instruction	600 00
Total	46.116.26

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Statement of amount of Taxable Property 10 per
cent as made by County Auditors, per fiscal year

Statement "C"

Story County

Amount of Real Estate	2.355.045 00
" " Personal Property	2.264.873 83
	4.619.918 83
Subsequent Assessment	500.000 00
	5.119.918 83

Ormsby County

Amount of Real Estate	810.532.25
" " Personal Property	491.718.74
	1.302.250 99
Subsequent Assessment	316.354 94
	1.618.605 93

Municipal Corporations

Amount of Real Estate	188.735 00
" " Personal Property	354.599 00
	1.043.334 00
Delinquent Assessment	122.340 00
	1.165.674 00

Legislated Churchile Counties

Amount of Real Estate	242.239 00
" " Personal Property	934.882 00
	1.177.121 00
Subsequent Assessment	34.992 79
	1.212.113 79

Statement "O." Continued

Douglas County

Amount of Real Estate	261,731 00
" " Personal Property	166,256 50
	427,987 50

Humboldt County

No Statement made by County Auditor

Approximate Statement	150,000 00

Recapitulation

Clay County	5,117,918 83
Cherry County	1,618,605 93
Washoe County	1,165,674 00
Lyon and Churchill Counties	1,212,113 79
Douglas County	427,987 50
Humboldt County "approximate"	150,000 00
Grand Total	9,692,300 05

Note. Of the above Grand Total, the Territorial proportion of Taxes arising therefrom would be $35,769.20

Statement showing the indebtedness, audited accounts for which warrants are now out to November 1st 1862.

Statement "G"

Total amount warrants issued			46.116.26
Amount of Cash in General fund	$464.15		
Total paid Judges Supreme Court,	240.23		
Warrants of Sarah A Blackburn			
payable in 1863		3877.08	
" " 1864		3877.08	10 625 44
			35.490 82

Note

A number of the outstanding warrants are bearing interest, at the rate of ten per cent per annum